



NOTE - vnp3
State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1130/P2 *P3*

JTK&MDK:eev:jm

stays

DOA:.....Bong, BB0350 - Sale or lease of state-owned real property

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

- new
SA
xref*
- 1 AN ACT *don't gen*; relating to: sale or lease of state-owned real property ~~and~~ contractual
2 operation of state facilities *and management of state-owned heating,
cooling, and power plants*

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Currently, with certain exceptions, DOA may sell or lease state-owned real property if DOA determines that the sale is in the best interest of the state and the Building Commission approves the sale. Any sale may be either on the basis of public bids, with DOA reserving the right to reject any bid in the interest of the state, or negotiated prices and need not reflect fair market value. Also currently, various state agencies have authority to sell real property under their jurisdiction subject to various conditions and limitations. The proceeds of any sales are deposited, credited, or used in various ways as provided by law. DOA's authority generally does not apply to property that another agency has authority to sell. Also, DOA's authority does not operate to permit the closure or sale of any facility or institution the operation of which is required by law. DOA's authority also does not extend to property under the jurisdiction of the Board of Regents of the University of Wisconsin System, property under the jurisdiction of DNR, except central or district office facilities, property under the jurisdiction of the Board of Commissioners of Public Lands, and property acquired using state forestation tax revenue. In addition, DOA's authority does not extend to leased property until expiration, modification, renewal, or extension of the

lease without consent of the lessee. Except as otherwise provided by law, any sale by DOA may be with or without the approval of the state agency that has jurisdiction over the property. The net proceeds of any sale by DOA are used to retire any outstanding public debt that was incurred to acquire, construct, or improve the property and if the property was acquired, constructed, or improved with federal financial assistance, the proceeds must be used to repay the federal government to the extent required by federal law. If the property was acquired by gift or grant or with gift or grant funds, DOA must adhere to any restriction governing use of the proceeds. DOA must use any remaining net proceeds to retire other outstanding public debt.

Currently, with certain exceptions, the Building Commission may also sell state-owned real property where this authority is not given to another state agency by law, and may transfer land under its jurisdiction among agencies. Sales may be accomplished in the same manner as sales by DOA. However, the Building Commission does not have this authority once DOA notifies the commission that an offer of sale or sale is pending. If a sale is not completed and no further action is pending with respect to a parcel of property, the authority of the Building Commission is restored. With limited exceptions, any sales or transfers of surplus land by the Building Commission are subject to approval of JCF. The net proceeds of any sales by the Building Commission must be used to retire any public debt that was used to acquire or construct improvements on the property being sold. The remaining net proceeds must be deposited in the budget stabilization fund.

This bill permits DOA to sell or lease any state-owned real property unless prohibited by the state or federal constitution or federal law, subject to the approval of the Building Commission. The bill does not apply to sales conducted to enforce an obligation to this state. The bill eliminates all other statutory authority of other state agencies, except the Building Commission, to sell state-owned real property. The bill does not repeal any statutes that require the operation of any facilities or institutions. Under the bill, if DOA sells all the real property that is currently used to operate a facility or institution, the facility or institution would need to continue in operation. Under the bill, DOA must use the remaining net proceeds of any sale subject to current requirements, to retire any public debt incurred for transportation purposes from general fund supported borrowing and after any such debt is retired, to retire any public debt incurred for transportation purposes from segregated fund or segregated revenue supported borrowing and after any such debt is retired, to retire other outstanding public debt. Under the bill, if the Building Commission sells any state-owned real property, the commission must use the remaining net proceeds in the same manner. The bill provides that if any parcel or property that is proposed to be sold by DOA is co-owned by a nonstate entity, DOA must afford to the co-owner the right of first refusal to purchase the share of the property owned by the state on reasonable financial terms established by DOA.

The bill also provides that if DOA leases a parcel of state-owned real property, DOA may contract for the operation of any function that is performed by the state on the property. Currently, DOA or any state agency to which DOA delegates authority may enter into a contractual services agreement if the services can be

except that sales of surplus land having a value of at least \$30,000 are subject to the approval of JCF

Current law also directs the Building Commission to complete a biennial inventory of state-owned surplus land.

to retire any revenue obligation debt in the fund that was used to acquire, construct, or improve property that was sold, and after any such debt is retired,

performed more economically or efficiently by contract than by the state directly. The bill provides that this requirement does not apply to contracts with lessees entered into by DOA under the bill. The bill provides that if DOA sells, leases, or contracts with a lessee for the operation of any real property that was under the jurisdiction of the Board of Regents of the University of Wisconsin System prior to the sale, lease, or contract, the board must convey all systems, fixtures, or additional property interests specified by DOA to the purchaser or lessor of the property on the terms specified by DOA. In addition, the bill provides that if DOA sells or contracts with a lessee for the operation of any facility that is operated by a state agency before the effective date of the sale or contract, DOA may decrease the authorized full-time equivalent positions for the agency and may lapse or transfer appropriated moneys from any appropriation made to the agency, other than a sum sufficient appropriation or an appropriation of federal revenues, to account for discontinuance of the operation of the facility by the agency.

In addition, the bill provides that
Finally, if DOA sells or leases state-owned property to a public utility, or contracts with a public utility for operation of a function on state-owned property that DOA leases to the public utility, the bill exempts the purchase, lease, or contract from requirements that may apply under current law for the Public Service Commission (PSC) to approve the purchase, lease, or contract. The bill also provides that such a purchase, lease, or contract is considered to be in the public interest and to comply with criteria for PSC certification that may apply under current law.

In addition, the bill provides that
The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

In addition, the bill provides that
SECTION 1. 13.48 (14) (c) of the statutes is ^(intro.) amended to read:

In addition, the bill provides that
13.48 (14) (c) ^(intro.) If there is any outstanding public debt used to finance the acquisition of a building, structure or land or the construction of a building or structure that is sold or leased under par. (b), the building commission shall deposit a sufficient amount of the net proceeds from the sale or lease of the building, structure or land in the bond security and redemption fund under s. 18.09 to repay the principal and pay the interest on the debt, and any premium due upon refunding any of that debt. ~~Except as provided in s. 51.06 (6), if~~ there is no such debt outstanding, or, if the net proceeds exceed the amount required to repay that principal and pay that interest and premium, the building commission shall deposit first use the net proceeds or remaining net proceeds in the ~~budget stabilization fund~~ ^(intro.) and

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1 to pay principal and interest costs on outstanding public debt that was used for
2 transportation purposes from general fund supported borrowing, shall then use the
3 net proceeds or remaining net proceeds to pay principal and interest costs on
4 outstanding public debt that was used for transportation purposes from segregated
5 fund or segregated revenue supported borrowing, and shall then use the net proceeds
6 or remaining net proceeds to pay principal and interest costs on other outstanding
7 public debt.

8 SECTION 2. 13.488 (1) (a) of the statutes is repealed.

9 SECTION 3. 13.488 (1) (c) of the statutes is amended to read:

10 13.488 (1) (c) The power to lease or sublease from such nonprofit-sharing
11 corporation, and to make available for public use, any lands or any such land and
12 existing buildings conveyed or leased to such corporation under ~~pars. (a) and par. (b),~~
13 and any new buildings erected upon such land or upon any other land owned by such
14 corporation, upon such terms, conditions and rentals, subject to available
15 appropriations, as in the judgment of the building commission are in the public
16 interest. ~~With respect to any property conveyed to such corporation under par. (a),~~
17 ~~such lease from such corporation may be subject or subordinated to one or more~~
18 ~~mortgages of such property granted by such corporation.~~

19 SECTION 4. 13.488 (1) (d) of the statutes is amended to read:

20 13.488 (1) (d) The duty to submit the plans and specifications for all such new
21 buildings and all conveyances, leases and subleases made pursuant to this section
22 to the department of administration and the governor for written approval before
23 they are finally adopted, executed and delivered.

24 SECTION 5. 16.310 of the statutes is repealed.

25 SECTION 6. 16.705 (1) of the statutes is amended to read:

1 16.705 (1) The Except as otherwise provided in this section, the department
2 or its agents may contract for services which can be performed more economically or
3 efficiently by such contract. The department shall, by rule, prescribe uniform
4 procedures for determining whether services are appropriate for contracting under
5 this subsection.

6 **SECTION 7.** 16.705 (1e) of the statutes is created to read:

7 16.705 (1e) Subsection (1) does not apply to contracts entered into by the
8 department under s. 16.848 (1).

9 **SECTION 8.** 16.848 (title) of the statutes is amended to read:

10 16.848 (title) **Sale or lease of certain state property; contractual**
11 **operation by lessee.**

12 **SECTION 9.** 16.848 (1) of the statutes is amended to read:

13 16.848 (1) ~~Except as provided in sub. (2), the~~ The department may offer for sale
14 or lease any state-owned real property, if the department determines that the sale
15 is in the best interest of the state, unless prohibited under the state or federal
16 constitution or federal law or the sale is conducted as a part of a procedure to enforce
17 an obligation to this state. Any sale may be either on the basis of public bids, with
18 the department reserving the right to reject any bid in the interest of the state, or
19 negotiated prices. If the department receives an offer to purchase property offered
20 under this subsection, the department may submit a report to the building
21 commission recommending acceptance of the offer. The report shall contain a
22 description of the property and the reasons for the recommendation. The
23 department may recommend the sale of a parcel of property with or without the
24 approval of the agency, as defined in s. 16.52 (7), having jurisdiction of the property.
25 If the building commission approves the proposed sale, the department may sell the

1 property. If the department sells or leases any state-owned real property under this
2 subsection, the department may attach such conditions to the sale or lease as it finds
3 to be necessary or appropriate to carry out the sale or lease in the best interest of the
4 state. If the department leases state-owned real property under this subsection, the
5 department may contract with the lessee for the operation of any function that is
6 performed by the state on the property. Notwithstanding ss. 196.49 and 196.80, if
7 the department sells or leases state-owned property under this subsection to a public
8 utility, as defined in s. 196.01 (5), no approval or certification of the public service
9 commission is necessary for the public utility to purchase or lease the property, or
10 contract for operation of any function performed by the state on property that is
11 leased to the public utility under this subsection, and any such purchase, lease, or
12 contract is considered to be in the public interest and to comply with the criteria for
13 certification of a project under s. 196.49 (3) (b).

14 **SECTION 10.** 16.848 (1g) of the statutes is created to read:

15 16.848 (1g) If any parcel of property that is proposed to be sold by the
16 department under sub. (1) is co-owned by a nonstate entity, the department shall
17 afford to that entity the right of first refusal to purchase the share of the property
18 owned by the state on reasonable financial terms established by the department.

19 **SECTION 11.** 16.848 (1r) of the statutes is created to read:

20 16.848 (1r) (a) If the department sells or contracts with a lessee for the
21 operation of any facility that is operated by an agency, as defined in s. 16.52 (7), on
22 the day prior to the effective date of the sale or contract, the secretary shall,
23 notwithstanding s. 16.50 (1), require submission of expenditure estimates for
24 approval under s. 16.50 (2) for each agency that proposes to expend moneys from any

1 appropriation for the operation of the facility during the fiscal biennium in which the
2 facility is sold or operated under contract.

3 (b) Notwithstanding s. 16.50 (2), the secretary shall disapprove any such
4 estimate for the period during which the facility is not operated by the agency. The
5 secretary may then require the use of the amounts of any disapproved expenditure
6 estimates for the purpose of purchase of contractual services from the facility or
7 payment of the costs of purchasing services that were provided by the facility from
8 an alternative source. If the department sells or contracts for the operation of a
9 facility under this subsection, the secretary may identify any full-time equivalent
10 positions authorized for the agency that was operating the facility the duties of which
11 primarily relate to the management or operation of the facility, and may decrease the
12 authorized full-time equivalent positions for the agency by the number of positions
13 so identified effective on the effective date of the sale or contract.

14 (c) Notwithstanding ss. 20.001 (3) (a) to (c) and 25.40 (3), the secretary may
15 lapse or transfer to the general fund from the unencumbered balance of
16 appropriations to any agency, other than sum sufficient appropriations and
17 appropriations of federal revenues, any amount appropriated to an agency that is
18 determined by the secretary to be allocated for the management or operation of the
19 facility that was sold or operated under contract effective on the effective date of the
20 sale or contract.

21 (d) The secretary shall report any action taken under this subsection to the
22 cochairpersons of the joint committee on finance.

23 **SECTION 12.** 16.848 (2) of the statutes is repealed.

24 **SECTION 13.** 16.848 (4) (a) of the statutes is amended to read:

1 16.848 (4) (a) ~~Except as provided in s. 13.48 (14) (e),~~ if If there is any
2 outstanding public debt used to finance the acquisition, construction, or
3 improvement of any property that is sold under sub. (1), the department shall deposit
4 a sufficient amount of the net proceeds from the sale of the property in the bond
5 security and redemption fund under s. 18.09 to repay the principal and pay the
6 interest on the debt, and any premium due upon refunding any of the debt. If the
7 property was acquired, constructed, or improved with federal financial assistance,
8 the department shall pay to the federal government any of the net proceeds required
9 by federal law. If the property was acquired by gift or grant or acquired with gift or
10 grant funds, the department shall adhere to any restriction governing use of the
11 proceeds. ~~Except as required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6),~~
12 if If there is no such debt outstanding, there are no moneys payable to the federal
13 government, and there is no restriction governing use of the proceeds, and if the net
14 proceeds exceed the amount required to be deposited, paid, or used for another
15 purpose under this paragraph, the department shall first use the net proceeds or
16 remaining net proceeds to pay principal and interest costs on outstanding public debt
17 that was used for transportation purposes from general fund supported borrowing,
18 shall then use the net proceeds or remaining net proceeds to pay principal and
19 interest costs on outstanding public debt that was used for transportation purposes
20 from segregated fund or segregated revenue supported borrowing, and shall then use
21 the net proceeds or remaining net proceeds to pay principal and interest costs on
22 other outstanding public debt.

23 **SECTION 14.** 16.848 (4) (b) (intro.) of the statutes is amended to read:

24 16.848 (4) (b) (intro.) ~~For~~ Except as otherwise required under par. (a), for the
25 purpose of paying principal and interest costs on other outstanding public debt under

1 par. (a), the secretary may cause outstanding bonds to be called for redemption on
2 or following their optional redemption date, establish one or more escrow accounts
3 to redeem bonds at their optional redemption date, or purchase bonds in the open
4 market. To the extent practical, the secretary shall consider all of the following in
5 determining which public debt to redeem:

6 **SECTION 15.** 16.98 (3) of the statutes is amended to read:

7 16.98 (3) All proceeds from the sale of land, buildings, supplies and equipment
8 personal property received under this section shall be credited to the appropriation
9 under s. 20.505 (1) (im) or (ka). Such proceeds may be used for the purchase of lands
10 and buildings or for construction or improvement of buildings for the purpose of
11 storing and handling excess and surplus property.

12 **SECTION 16.** 20.370 (1) (gr) of the statutes is amended to read:

13 20.370 (1) (gr) *Endangered resources program — gifts and grants; sale of*
14 *state-owned lands.* All moneys received from gifts, grants and bequests for the
15 endangered resources program, as defined under s. 71.10 (5) (a) 2., to be expended
16 for the purposes for which made and received; and all moneys received from gifts and
17 contributions under the Wisconsin natural areas heritage program and all moneys
18 ~~received from the sale of state-owned lands withdrawn from the state natural areas~~
19 ~~system~~ for the purposes of natural heritage land acquisition activities, natural area
20 land acquisition activities, and administration of the natural areas inventory
21 program.

22 **SECTION 17.** 20.370 (7) (ag) of the statutes is repealed.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

****NOTE: This SECTION and the treatment of ss. 20.866 (1) (u) and 23.0917 (5m) (b), stats., if still being used, might need to be retained in order to ensure that there is some revenue stream to retire stewardship bonds retired under s. 23.0917 (5m) (b), stats.

1 **SECTION 18.** 20.373 (1) (g) of the statutes is amended to read:

2 20.373 (1) (g) *Administration, operation, repair, and rehabilitation.* From the
3 general fund, all moneys received from the sale of surplus land under 2005 Wisconsin
4 Act 25, section 9105 (14q), prior to the effective date of this paragraph [LRB
5 inserts date], to be used for administration of the authority and the operation, repair,
6 and rehabilitation of the Fox River lock system.

7 **SECTION 19.** 20.395 (9) (qd) of the statutes is amended to read:

8 20.395 (9) (qd) *Freeway land disposal reimbursement clearing account.* All
9 moneys received from the disposition of interests in lands and property previously
10 acquired and held in trust for the state for freeway development for the purpose of
11 reimbursing federal ~~and local governments~~ government for expenses incurred by
12 ~~them~~ it for such acquisition.

13 **SECTION 20.** 20.410 (3) (hm) of the statutes is amended to read:

14 20.410 (3) (hm) *Juvenile correctional services.* The amounts in the schedule for
15 juvenile correctional services specified in ss. 49.45 (25) (bj) and 301.26 (4) (c) and (d).
16 All moneys received from the sale of surplus personal property, including vehicles,
17 from juvenile correctional institutions operated by the department, all moneys
18 received as payments in restitution of property damaged at juvenile correctional
19 institutions operated by the department, all moneys received from miscellaneous
20 services provided at a juvenile correctional institution operated by the department,
21 all moneys transferred under s. 301.26 (4) (cm), all moneys transferred under s.
22 301.26 (4) (ct), and, except as otherwise provided in pars. (ho) and (hr), all moneys
23 received in payment for juvenile correctional services as specified in s. 301.26 (4) (d),
24 (dt), and (g) shall be credited to this appropriation account. If moneys generated by
25 the daily rate under s. 301.26 (4) (d) exceed actual fiscal year institutional costs by

1 more than 2%, all moneys in excess of 2% shall be remitted to the counties during the
2 subsequent calendar year or transferred to the appropriation account under par. (kx)
3 during the subsequent fiscal year. Each county and the department shall receive a
4 proportionate share of the remittance and transfer depending on the total number
5 of days of placement at juvenile correctional institutions including the Mendota
6 Juvenile Treatment Center. Counties shall use the funds for purposes specified in
7 s. 301.26. The department shall deposit in the general fund the amounts transferred
8 under this paragraph to the appropriation account under par. (kx).

9 **SECTION 21.** 20.435 (2) (gk) of the statutes is amended to read:

10 20.435 (2) (gk) *Institutional operations and charges.* The amounts in the
11 schedule for care, other than under s. 51.06 (1r), provided by the centers for the
12 developmentally disabled, to reimburse the cost of providing the services and to
13 remit any credit balances to county departments that occur on and after
14 July 1, 1978, in accordance with s. 51.437 (4rm) (c); for care, other than under s.
15 46.043, provided by the mental health institutes, to reimburse the cost of providing
16 the services and to remit any credit balances to county departments that occur on and
17 after January 1, 1979, in accordance with s. 51.42 (3) (as) 2.; for maintenance of
18 state-owned housing at centers for the developmentally disabled and mental health
19 institutes; for repair or replacement of personal property damaged at the mental
20 health institutes or at centers for the developmentally disabled; and for reimbursing
21 the total cost of using, producing, and providing services, products, and care. All
22 moneys received as payments from medical assistance on and after August 1, 1978;
23 as payments from all other sources including other payments under s. 46.10 and
24 payments under s. 51.437 (4rm) (c) received on and after July 1, 1978; as medical
25 assistance payments, other payments under s. 46.10, and payments under s. 51.42

(3) (as) 2. received on and after January 1, 1979; as payments for the rental of state-owned housing and other institutional facilities at centers for the developmentally disabled and mental health institutes; for the sale of electricity, steam, or chilled water; as payments in restitution of personal property damaged at the mental health institutes or at centers for the developmentally disabled; for the sale of surplus personal property, including vehicles, at the mental health institutes or at centers for the developmentally disabled; and for other services, products, and care shall be credited to this appropriation, except that any payment under s. 46.10 received for the care or treatment of patients admitted under s. 51.10, 51.15, or 51.20 for which the state is liable under s. 51.05 (3), of forensic patients committed under ch. 971 or 975, admitted under ch. 975, or transferred under s. 51.35 (3), or of patients transferred from a state prison under s. 51.37 (5), to the Mendota Mental Health Institute or the Winnebago Mental Health Institute shall be treated as general purpose revenue — earned, as defined under s. 20.001 (4); and except that moneys received under s. 51.06 (6) may be expended only as provided in s. 13.101 (17).

SECTION 22. 20.465 (1) (g) of the statutes is amended to read:

20.465 (1) (g) *Military property.* The amounts in the schedule for rent of state-owned military lands or buildings used by, acquired for or erected for the Wisconsin national guard under s. 321.03 (2) (a), for rental of buildings and grounds maintenance equipment owned by the state and required to properly maintain properties supported by state-federal cooperative funding agreements, for the repair and maintenance of state-owned military lands or buildings, for the payment of municipal assessments related to state-owned military property and for the purchase and construction of new military property, real and personal. All moneys received on account of lost military property, from the sale of obsolete or

1 unserviceable military personal property, from the sale of any state-owned military
2 personal property, ~~real and personal~~, under s. 321.03 (2) (b), from the rental of
3 state-owned housing, or from the provision of housing-related services to military
4 personnel shall be credited to this appropriation.

5 **SECTION 23.** 20.507 (1) (h) of the statutes is amended to read:

6 20.507 (1) (h) *Trust lands and investments — general program operations.* The
7 amounts in the schedule for the general program operations of the board as provided
8 under ss. 24.04, 24.09 (1) ~~(bm)~~ (3), 24.53 and 24.62 (1). All amounts deducted from
9 the gross receipts of the appropriate funds as provided under ss. 24.04, 24.09 (1) ~~(bm)~~
10 (3), 24.53 and 24.62 (1) shall be credited to this appropriation account.
11 Notwithstanding s. 20.001 (3) (a), the unencumbered balance at the end of each fiscal
12 year shall be transferred to the trust funds, as defined under s. 24.60 (5). The amount
13 transferred to each trust fund, as defined under s. 24.60 (5), shall bear the same
14 proportion to the total amount transferred to the trust funds that the gross receipts
15 of that trust fund bears to the total gross receipts credited to this appropriation
16 account during that fiscal year.

17 **SECTION 24.** 20.866 (1) (u) of the statutes is amended to read:

18 20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys
19 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1)
20 (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),
21 20.255 (1) (d), 20.285 (1) (d), (je), and (gj), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7)
22 (aa), (ac), ~~(ag)~~, (aq), (ar), (at), (au), (bq), (br), (cb), (cc), (cd), (cg), (cq), (cr), (cs), (ct), (ea),
23 (eq), and (er), 20.395 (6) (af), (aq), (ar), and (au), 20.410 (1) (e), (ec), and (ko) and (3)
24 (e), 20.435 (2) (ee), 20.465 (1) (d), 20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505
25 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (kc), 20.855 (8) (a), and 20.867 (1) (a)

1 and (b) and (3) (a), (b), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bi), (bj), (bk), (bm), (bn),
2 (bp), (bq), (br), (bu), (bv), (g), (h), (i), (kd), and (q) for the payment of principal,
3 interest, premium due, if any, and payment due, if any, under an agreement or
4 ancillary arrangement entered into under s. 18.06 (8) (a) relating to any public debt
5 contracted under subchs. I and IV of ch. 18.

****NOTE: See the second ****NOTE under the treatment of s. 20.370 (7) (ag), stats.

6 **SECTION 25.** 20.913 (3) (b) of the statutes is amended to read:

7 20.913 (3) (b) *Lands.* For repayment of moneys paid to the state on purchases
8 of public or escheated lands, as provided in ss. 24.11, 24.33, 24.34 and 24.35.

9 **SECTION 26.** 23.0917 (5m) (b) (intro.) and 4. of the statutes are consolidated,
10 renumbered 23.0917 (5m) (b) and amended to read:

11 23.0917 (5m) (b) For each land acquisition transaction under this subsection,
12 all of the following apply:

13 ~~4. For bonds that are not retired from the proceeds of the sale of the acquired~~
14 ~~land within 3 years after the date on which the land was acquired by the department,~~
15 the department shall adjust the available bonding authority for the subprogram for
16 land acquisition by decreasing the available bonding authority for the next fiscal
17 year beginning after the end of that the 3-year period following the date of
18 acquisition by an amount equal to the total amount of the bonds that have not been
19 retired ~~from such proceeds~~ in that fiscal year and, if necessary, shall decrease for each
20 subsequent fiscal year the available bonding authority in an amount equal to that
21 available bonding authority or equal to the amount still needed to equal the total
22 amount of the bonds that have not been retired ~~from such proceeds~~, whichever is less,
23 until the available bonding authority has been decreased by an amount equal to the
24 total of the bonds that have not been retired.

1 **SECTION 27.** 23.0917 (5m) (b) 1. to 3. of the statutes are repealed.

 ***NOTE: This SECTION and the treatment of ss. 20.370 (7) (ag) and 20.866 (1) (u),
stats., if still being used, might need to be retained in order to ensure that there is some
revenue stream to retire stewardship bonds retired under s. 23.0917 (5m) (b), stats.

2 **SECTION 28.** 23.0917 (6m) (e) of the statutes is amended to read:

3 23.0917 (6m) (e) This subsection does not apply to moneys obligated for the
4 purpose of property development as described under sub. (4) ~~or to moneys obligated~~
5 ~~for land acquired by the department under s. 24.59 (1).~~

6 **SECTION 29.** 23.15 of the statutes is repealed.

7 **SECTION 30.** 23.196 (2) (c) of the statutes is repealed.

8 **SECTION 31.** 23.1985 of the statutes is repealed.

9 **SECTION 32.** 23.27 (6) of the statutes is amended to read:

10 23.27 (6) SALE; CREDIT. ~~Moneys received by the state from the sale of any area~~
11 ~~on state-owned land under the department's management or control which is~~
12 ~~withdrawn from the state natural areas system shall be credited to the appropriation~~
13 ~~under s. 20.370 (1) (gr).~~ An amount equal to the value of any area on state-owned
14 land under the department's management or control which is withdrawn from the
15 state natural areas system but remains in state ownership shall be credited to the
16 appropriation under s. 20.370 (1) (gr).

17 **SECTION 33.** 24.01 (1), (4), (5), (7), (9) and (10) of the statutes are amended to
18 read:

19 24.01 (1) "Agricultural college lands" embraces all lands granted to the state
20 by an act of congress entitled "An act donating public lands to the several states and
21 territories which may provide colleges for the benefit of agriculture and the mechanic
22 arts," approved July 2, 1862, as well as any land received under s. 24.09 ~~(1) (bm)~~ (3)
23 in exchange for such land.

1 (4) “Marathon County lands” embraces all lands acquired by the state
2 pursuant to chapter 22 of the general laws of 1867, as well as any land received under
3 s. 24.09 (1) (bm) (3) in exchange for such land.

4 (5) “Normal school lands” embraces all parcels of said “swamp lands” which the
5 legislature has declared or otherwise decided, or may hereafter declare or otherwise
6 decide, were not or are not needed for the drainage or reclamation of the same or
7 other lands, as well as any land received under s. 24.09 (1) (bm) (3) in exchange for
8 such land.

9 (7) “School lands” embraces all lands made a part of “the school fund” by article
10 X, section 2, of the constitution, as well as any land received under s. 24.09 (1) (bm)
11 (3) in exchange for such land.

12 (9) “Swamp lands” embraces all lands which have been or may be transferred
13 to the state pursuant to an act of congress entitled “An act to enable the state of
14 Arkansas and other states to reclaim the swamp lands within their limits,” approved
15 September 28, 1850, or pursuant to an act of congress entitled “An act for the relief
16 of purchasers and locators of swamp and overflowed lands,” approved March 2, 1855,
17 as well as any land received under s. 24.09 (1) (bm) (3) in exchange for such land.

18 (10) “University lands” embraces all lands the proceeds of which are
19 denominated “the university fund” by article X, section 6, of the constitution, as well
20 as any land received under s. 24.09 (1) (bm) (3) in exchange for such land.

21 **SECTION 34.** 24.04 (2) of the statutes is amended to read:

22 24.04 (2) DISBURSEMENTS. All expenses necessarily incurred in caring for and
23 selling public lands shall be deducted from the gross receipts of the fund to which the
24 proceeds of the sale of the land will be added for which the lands are granted.

25 Expenses necessarily incurred in caring for public lands may include expenses for

1 reforestation, erosion and insect control, submerged log monitoring, surveys,
2 appraisals, soil surveys and soil mapping activities and other land management
3 practices that serve to protect or enhance the interests of the beneficiaries of the trust
4 funds.

5 **SECTION 35.** 24.06 of the statutes is repealed.

6 **SECTION 36.** 24.07 of the statutes is repealed.

7 **SECTION 37.** 24.08 (1) of the statutes is amended to read:

8 24.08 (1) LANDS APPRAISED. Every parcel of public land that was never
9 appraised, every parcel of public land forfeited to the state under s. 24.28 and every
10 parcel of land mortgaged to secure any loan of trust funds and bid in by the state at
11 a sale an exchange of that land under the mortgage shall be appraised under this
12 section before it is ~~offered or reoffered for sale at public auction, at private sale or~~
13 exchanged for other lands. These lands may be reappraised whenever necessary.

14 **SECTION 38.** 24.08 (4) of the statutes is amended to read:

15 24.08 (4) APPRAISED VALUE, MINIMUM PRICE, GOVERNMENT MINIMUM. Such
16 appraised value shall be the minimum price of the land until ~~sold or~~ reappraised.
17 Until an appraisal under this section, the appraisal last heretofore made of any
18 parcel of public land, if any has been made, shall fix the minimum price thereof.
19 Notwithstanding this section ~~no parcel of public land having a minimum price for the~~
20 ~~sale thereof fixed by the act of congress granting the same to the state, shall be sold~~
21 ~~for a lesser price than that so fixed.~~

22 **SECTION 39.** 24.09 (title) of the statutes is amended to read:

23 **24.09 (title) Procedure before sale or exchange; withdrawal; resale.**

24 **SECTION 40.** 24.09 (1) (a) of the statutes is renumbered 24.09 (1) and amended
25 to read:

1 24.09 (1) Except as provided under ~~par. (e)~~ sub. (4), the board may not ~~sell or~~
2 exchange any public lands which were not appraised or appraised under s. 24.08.
3 Except as provided under ~~pars. (b), (bm) and (e)~~ subs. (2), (3), and (4), the board may
4 not ~~sell or~~ exchange any public lands except at public auction or by sealed bid.

5 **SECTION 41.** 24.09 (1) (b) of the statutes is renumbered 24.09 (2) and amended
6 to read:

7 24.09 (2) Lands required for federal, state, county, city, village, town, or school
8 district use may be ~~sold at the appraised value to, or~~ exchanged for land of
9 approximately equivalent value with, the federal government, other state
10 departments, boards or commissions, counties, cities, villages, towns, or school
11 districts.

12 **SECTION 42.** 24.09 (1) (bm) of the statutes is renumbered 24.09 (3) and amended
13 to read:

14 24.09 (3) The board may exchange part or all of any parcel of public lands for
15 any other land of approximately equal value if the board determines that the
16 exchange will contribute to the consolidation or completion of a block of land,
17 enhance conservation of lands or otherwise be in the public interest. Under this
18 ~~paragraph subsection~~, an exchange is of “approximately equal value” if the difference
19 in value between the more highly valued land and the less highly valued land does
20 not exceed 10% of the value of the more highly valued land. All expenses necessarily
21 incurred in making an exchange under this ~~paragraph subsection~~ shall be deducted
22 from the gross receipts of the fund ~~to which the proceeds of the sale of the exchanged~~
23 ~~land will be added~~ for which the lands are granted.

24 **SECTION 43.** 24.09 (1) (c) of the statutes is renumbered 24.09 (4) and amended
25 to read:

1 24.09 (4) Lands located within the federally recognized exterior boundaries of
2 Indian reservations or located adjacent to the federally recognized boundaries of
3 Indian reservations may be sold to or exchanged with the Indian tribe or tribes
4 located on those reservations or sold to or exchanged with the federal government for
5 the benefit and use of such tribe or tribes upon prices, terms and conditions agreeable
6 to the board and without being subject to the restrictions and procedure otherwise
7 provided by law for the sale exchanged of public lands.

8 **SECTION 44.** 24.09 (1) (d) of the statutes is repealed.

9 **SECTION 45.** 24.09 (2) of the statutes is repealed.

10 **SECTION 46.** 24.10 of the statutes is repealed.

11 **SECTION 47.** 24.11 (title) of the statutes is repealed and recreated to read:

12 **24.11 (title) Reservation.**

13 **SECTION 48.** 24.11 (1) of the statutes is repealed.

14 **SECTION 49.** 24.11 (2) of the statutes is repealed.

15 **SECTION 50.** 24.11 (3) (title) of the statutes is repealed.

16 **SECTION 51.** 24.11 (3) of the statutes is renumbered 24.11 and amended to read:

17 **24.11** Every contract, ~~certificate of sale,~~ or grant hereunder of public lands
18 shall reserve to the people the right of access to such lands and to any meandered or
19 nonmeandered stream, river, pond or lake navigable in fact for any purpose
20 whatsoever, bordered by such lands and all rights necessary to the full enjoyment of
21 such waters, and of all minerals in said lands, and all mining rights therein, and shall
22 also be subject to continued ownership by the state of all waterpower rights on such
23 lands or in any manner appurtenant thereto. Such conveyance shall also be subject
24 to a continuing easement in the state and its assigns to enter and occupy such lands
25 in any manner necessary and convenient to the removal of such mineral from such

lands and to the proper exercise of such mineral rights, and shall be further subject to the continuing easement in the state and its assigns to enter and occupy such lands in any manner necessary and convenient to the development, maintenance and use of any such water rights. Nothing contained in this section shall be construed to provide for the continued ownership in the state of any stone used for building purposes nor of any sand or gravel.

SECTION 52. 24.11 (4) of the statutes is repealed.

SECTION 53. 24.12 of the statutes is repealed.

SECTION 54. 24.14 of the statutes is repealed.

SECTION 55. 24.15 of the statutes is repealed.

SECTION 56. 24.16 of the statutes is repealed.

SECTION 57. 24.17 of the statutes is repealed.

SECTION 58. 24.18 of the statutes is repealed.

SECTION 59. 24.19 of the statutes is repealed.

SECTION 60. 24.20 of the statutes is repealed.

SECTION 61. 24.21 of the statutes is repealed.

SECTION 62. 24.22 of the statutes is repealed.

SECTION 63. 24.23 of the statutes is repealed.

SECTION 64. 24.24 (1) of the statutes is amended to read:

24.24 (1) Except when voided by forfeiture under s. 24.28, a certificate of sale issued under s. 24.17, 2011 stats., entitles the purchaser, or the purchaser's heirs or assigns, to all the rents, benefits, and provisions of any lease existing on the lands described in the certificate at the time of the land purchase and accruing after the purchase. The certificate of sale is sufficient evidence of title and vests in the purchaser, or the purchaser's heirs and assigns, the same rights of possession,

1 enjoyment, descent, transmission, and alienation of the lands described in the
2 certificate and the same remedies for the protection of those rights against all
3 persons, except the state, that the purchaser would possess if the purchaser were the
4 owner in fee of the described lands.

5 **SECTION 65.** 24.25 of the statutes is repealed.

6 **SECTION 66.** 24.27 of the statutes is repealed.

7 **SECTION 67.** 24.28 (1) (intro.) of the statutes is amended to read:

8 24.28 (1) (intro.) A certificate of sale issued under s. 24.17, 2011 stats., becomes
9 void upon the occurrence of any of the following, and the purchaser of the lands
10 described in the certificate, or the purchaser's heirs and assigns, shall forfeit all right
11 and interest in the lands:

12 **SECTION 68.** 24.28 (2) of the statutes is amended to read:

13 24.28 (2) In the event of a forfeiture of lands under sub. (1), the board may take
14 immediate possession of and resell the forfeited lands as provided under ss. ~~24.29 to~~
15 24.30 and 24.33.

16 **SECTION 69.** 24.29 of the statutes is repealed.

17 **SECTION 70.** 24.31 of the statutes is repealed.

18 **SECTION 71.** 24.32 of the statutes is repealed.

19 **SECTION 72.** 24.33 (1) (intro.) of the statutes is amended to read:

20 24.33 (1) (intro.) The board, within 3 months after a resale under s. 24.32, 2011
21 stats., may by a written recorded order, a copy of which shall be immediately served
22 on the purchaser of the resold land, avoid and cancel the resale and restore and revive
23 the certificate issued to the original purchaser of the land under s. 24.17, 2011 stats.,
24 after all of the following occur:

25 **SECTION 73.** 24.52 of the statutes is amended to read:

1 **24.52 Jurisdiction.** Together with the power and duty of selling the school
2 ~~and university lands and investing the funds arising therefrom~~ from the sale of the
3 school and university lands, prescribed for the board by article X, section 7, of the
4 constitution, it is invested with ~~power to dispose of all other public lands and all~~
5 ~~interests in lands held by the state for sale, and with~~ such further powers as may be
6 necessary or convenient to enable it to exercise the functions and perform the duties
7 imposed upon it by law.

8 **SECTION 74.** 24.53 of the statutes is amended to read:

9 **24.53 Investigate land claims; deduct expenses.** The board of
10 commissioners of public lands shall investigate the rights of the state to school lands,
11 normal school lands, university lands and agricultural college lands. The expenses
12 incurred in making these investigations and taking necessary steps to protect
13 common school lands, normal school lands, university lands and agricultural college
14 lands and timber on those lands, as well as the expense of necessary surveys, records,
15 appraisals and sales, upon the approval of the board, shall be deducted from the gross
16 receipts of the fund ~~to which the proceeds from the sale of the land or timber will be~~
17 added for which the lands are granted.

18 **SECTION 75.** 24.57 of the statutes is amended to read:

19 **24.57 Report of board.** The board shall include in any report submitted
20 under s. 15.07 (6) a report of its official proceedings for the period since the
21 proceedings reported in the most recent report, showing the quantity of land sold or
22 leased and the amount received therefor, the amount of interest moneys accrued or
23 received and a specific account of the several investments made by them, stating in
24 all cases of loans, the name of each borrower, the sum borrowed and a description of

1 the property mortgaged. The report also shall include such other matters as it thinks
2 proper to communicate or as the legislature requires.

3 **SECTION 76.** 24.59 of the statutes is repealed.

4 **SECTION 77.** 24.605 of the statutes is amended to read:

5 **24.605 Accounts in trust funds for deposit of proceeds from sale of**
6 **certain lands.** The board shall establish in each of the trust funds an account to
7 which are credited the proceeds from the sale of any public lands on or after May 3,
8 2006, and before the effective date of this section [LRB inserts date], that are
9 required by law to be deposited in the funds. Moneys credited to the accounts in the
10 funds may only be used to invest in land under s. 24.61 (2) (a) 10. and for the payment
11 of expenses necessarily related to investing in land under s. 24.61 (2) (a) 10.

12 **SECTION 78.** 25.17 (8) of the statutes is amended to read:

13 25.17 (8) Accept, when necessary to protect a mortgage loan, a quitclaim deed
14 or warranty deed to the mortgaged property in full satisfaction of the mortgage debt,
15 and manage, operate, lease, exchange, ~~sell and convey~~, by land contract, quitclaim
16 deed or warranty deed, and grant easement rights in, any real property acquired by
17 the board.

18 **SECTION 79.** 25.295 (1) (b) of the statutes is amended to read:

19 25.295 (1) (b) ~~Notwithstanding s. 23.15 (4),~~ all All moneys received by the
20 department of natural resources from utility easements on property located in the
21 state park system, a southern state forest, as defined in s. 27.016 (1) (c), or a state
22 recreation area under ss. 23.09 (10), 27.01 (2) (g) and 28.02 (5).

23 **SECTION 80.** 25.60 of the statutes is amended to read:

24 **25.60 Budget stabilization fund.** There is created a separate nonlapsible
25 trust fund designated as the budget stabilization fund, consisting of moneys

transferred to the fund from the general fund under ss. ~~13.48 (14) (e)~~, 16.518 (3), and 16.72 (4) (b).

SECTION 81. 28.02 (4) of the statutes is repealed.

SECTION 82. 36.09 (1) (L) of the statutes is amended to read:

36.09 (1) (L) The board shall possess all powers necessary or convenient for the operation of the system except as limited in this chapter and s. 16.848 (1).

SECTION 83. 36.09 (1) (m) of the statutes is created to read:

36.09 (1) (m) If the department of administration sells, leases, or contracts with a lessee for the operation of any real property that was under the jurisdiction of the board prior to the sale, lease, or contract, the board shall convey all systems, fixtures, or additional property interests specified by the department of administration to the purchaser or lessor of the property on terms specified by the department of administration.

SECTION 84. 36.11 (1) (b) of the statutes is amended to read:

36.11 (1) (b) Except as provided in this paragraph, the board may purchase, have custody of, hold, control, possess, lease, grant easements and enjoy any lands, buildings, books, records and all other property of any nature which may be necessary and required for the purposes, objects and uses of the system authorized by law. The power to lease does not apply to any real property that is subject to a lease entered into by the department of administration under s. 16.848 (1). Any lease by the board is subject to the powers of the University of Wisconsin Hospitals and Clinics Authority under s. 233.03 (13) and the rights of the authority under any lease agreement, as defined in s. 233.01 (6). The board shall not permit a facility that would be privately owned or operated to be constructed on state-owned land without obtaining prior approval of the building commission under s. 13.48 (12). ~~The board~~

1 ~~may sell or dispose of such property as provided by law, or any part thereof when in~~
2 ~~its judgment it is for the best interests of the system and the state. All purchases and~~
3 sales of real property shall be subject to the approval of the building commission. The
4 provision of all leases of real property to be occupied by the board shall be the
5 responsibility of the department of administration under s. 16.84 (5).

6 **SECTION 85.** 36.11 (1) (e) of the statutes is amended to read:

7 36.11 (1) (e) The board, with the approval of the building commission, may sell
8 ~~or~~ lease state-owned residence halls to another state agency or nonstate nonprofit
9 agency for purposes of alternate use. This paragraph does not apply to any real
10 property that is subject to a lease entered into by the department of administration
11 under s. 16.848 (1).

12 **SECTION 86.** 36.11 (28) of the statutes is amended to read:

13 36.11 (28) LEASE AGREEMENT WITH THE UNIVERSITY OF WISCONSIN HOSPITALS AND
14 CLINICS AUTHORITY. Subject to 1995 Wisconsin Act 27, section 9159 (2) (k), and subject
15 to any prior lease entered into by the department of administration under s. 16.848
16 (1), the board shall negotiate and enter into a lease agreement with the University
17 of Wisconsin Hospitals and Clinics Authority that meets the requirements under s.
18 233.04 (7) and shall comply with s. 233.04 (7g).

19 **SECTION 87.** 36.33 (title) and (1) of the statutes are amended to read:

20 **36.33** (title) **Sale Lease and relocation of agricultural lands.** (1)
21 LEGISLATIVE INTENT. The legislature finds and determines that, because of the
22 problems resulting from the development of the city of Madison around certain
23 agricultural lands of the University of Wisconsin–Madison, the desirability of
24 consolidating lands used for agricultural instruction, research and extension
25 purposes, the desirability of disposing of agricultural lands no longer needed by the

1 university and the need for land of better quality and of greater quantity for the
2 purpose of improving and expanding agricultural research, it is in the public interest
3 for the board to ~~sell or~~ lease, in whole or in part, the agricultural lands and
4 improvements thereon owned by the board and located in sections 19, 20 and 30,
5 township 7 north, range 9 east, Dane County; sections 25 and 27, township 7 north,
6 range 8 east, Dane County; sections 34 and 35, township 38 north, range 11 east,
7 Oneida County; and section 22, township 22 north, range 8 east, Portage County; and
8 to purchase other agricultural lands outside of the Madison urban area and to
9 construct thereon the necessary buildings and improvements. The foregoing policy
10 determination is made without reference to or intention of limiting the powers which
11 the board may otherwise have.

12 **SECTION 88.** 36.33 (2) (title) and (a) (intro.) of the statutes are amended to read:

13 36.33 (2) (title) METHOD OF SALE LEASE; ASSESSMENTS. (a) (intro.) The board, in
14 ~~selling or~~ leasing any part of the agricultural lands and improvements thereon,
15 mentioned in sub. (1), shall ~~sell or~~ lease on the basis of either of the following:

16 **SECTION 89.** 36.33 (3) of the statutes is amended to read:

17 36.33 (3) BUILDING COMMISSION APPROVAL. The ~~sale~~, lease and purchase of
18 agricultural lands mentioned in sub. (1) shall be subject to the approval of the
19 building commission.

20 **SECTION 90.** 36.33 (4) of the statutes is repealed.

21 **SECTION 91.** 36.335 of the statutes is repealed.

22 **SECTION 92.** 41.23 of the statutes is amended to read:

23 **41.23 Sale of excess or surplus property.** The department may acquire
24 excess or surplus property from the department of administration under ss. 16.72 (4)
25 (b) and 16.98 (1) or from the department of transportation under s. 84.09 (5s) and.

1 The department may sell the personal property acquired under this section to any
2 person at a price determined by the department of tourism. All proceeds received by
3 the department of tourism from the sale of property under this section shall be
4 credited to the appropriation account under s. 20.380 (1) (h).

5 **SECTION 93.** 41.41 (7) (d) of the statutes is repealed.

6 **SECTION 94.** 44.015 (1) of the statutes is amended to read:

7 44.015 (1) Acquire any interest in real or personal property by gift, bequest or
8 otherwise in any amount and may operate, manage, ~~sell, or rent or convey~~ real estate
9 acquired by gift, bequest, foreclosure or other means, upon such terms and conditions
10 as the board of curators deems for its interests but may not sell, mortgage, transfer
11 or dispose of in any manner or remove from its buildings, except for temporary
12 purposes, any article therein without authority of law.

13 **SECTION 95.** 45.03 (5) (a) 1. of the statutes is amended to read:

14 45.03 (5) (a) 1. “Existing building” in relation to any ~~conveyance~~, lease, or
15 sublease made under par. (c) 1. means all detention, treatment, administrative,
16 recreational, infirmary, hospital, vocational, and academic buildings; all dormitories
17 and cottages; all storage facilities, heating plants, sewage disposal plants, and other
18 buildings, structures, facilities, and permanent improvements that in the judgment
19 of the board are needed or useful for the purposes of the department, and all
20 equipment for them and all improvements and additions to them that were erected,
21 constructed, or installed prior to the making of the ~~conveyance~~, lease, or sublease.

22 **SECTION 96.** 45.03 (5) (a) 2. of the statutes is amended to read:

23 45.03 (5) (a) 2. “New building” in relation to any ~~conveyance~~, lease, or sublease
24 made under par. (c) 1. means all detention, treatment, administrative, recreational,
25 infirmary, hospital, vocational, and academic buildings; all dormitories and cottages;

1 all storage facilities, heating plants, sewage disposal plants, and other buildings,
2 structures, facilities, and permanent improvements as in the judgment of the board
3 are needed or useful for the purposes of the department, and all equipment for them
4 and all improvements and additions to them that are erected, constructed, or
5 installed after the making of the conveyance, lease, or sublease.

6 **SECTION 97.** 45.03 (5) (c) 1. a. of the statutes is repealed.

7 **SECTION 98.** 45.03 (5) (c) 1. c. and d. of the statutes are amended to read:

8 45.03 (5) (c) 1. c. The power to lease or sublease from the nonprofit corporation,
9 and to make available for public use, any land, or any land and existing buildings
10 conveyed or leased to such nonprofit corporation under subd. 1. a. and b., and any
11 new buildings erected upon such land or upon any other land owned by the nonprofit
12 corporation, upon the terms, conditions, and rentals, subject to available
13 appropriations, as in the judgment of the board are in the public interest.

14 d. The duty to submit the plans and specifications for all new buildings to the
15 building commission for approval whenever required by law and to submit plans and
16 specifications for all new buildings and all conveyances, leases, and subleases made
17 under this subsection to the department of administration and the governor for
18 written approval before they are finally adopted, executed, and delivered.

19 **SECTION 99.** 45.32 (7) of the statutes is amended to read:

20 45.32 (7) Manage, operate, lease, and exchange, ~~sell, and otherwise convey~~ real
21 property.

22 **SECTION 100.** 46.03 (30) (a) of the statutes is amended to read:

23 46.03 (30) (a) To provide for an orderly reduction of state institutional primary
24 psychiatric services the department may approve the institutes entering into
25 contracts with county departments under s. 51.42 for providing primary psychiatric

1 care. If excess capacity exists at state operated mental health institutes, the
2 department shall, subject to s. 16.848, explore the possible sale or lease of such excess
3 facilities to a county department under s. 51.42.

4 **SECTION 101.** 46.035 (1) (a) and (b) of the statutes are amended to read:

5 46.035 (1) (a) The term “existing building” in relation to any conveyance, lease
6 or sublease made under sub. (2) (a), (b), and (c) means all detention, treatment,
7 administrative, recreational, infirmary, hospital, vocational and academic buildings;
8 all dormitories and cottages; all storage facilities, heating plants, sewage disposal
9 plants, and such other buildings, structures, facilities and permanent improvements
10 as in the judgment of the secretary are needed or useful for the purposes of the
11 department, and all equipment therefor and all improvements and additions thereto
12 which were erected, constructed or installed prior to the making of such conveyance,
13 lease or sublease.

14 (b) The term “new building” in relation to any conveyance, lease or sublease
15 made under sub. (2) (a), (b), and (c) means all detention, treatment, administrative,
16 recreational, infirmary, hospital, vocational and academic buildings; all dormitories
17 and cottages; all storage facilities, heating plants, sewage disposal plants, and such
18 other buildings, structures, facilities and permanent improvements as in the
19 judgment of the secretary are needed or useful for the purposes of the department,
20 and all equipment therefor and all improvements and additions thereto which are
21 erected, constructed or installed after the making of such conveyance, lease or
22 sublease.

23 **SECTION 102.** 46.035 (2) (a) of the statutes is repealed.

24 **SECTION 103.** 46.035 (2) (c) and (d) of the statutes are amended to read:

1 46.035 (2) (c) The power to lease or sublease from such nonprofit corporation,
2 and to make available for public use, any such land and existing buildings conveyed
3 or leased to such nonprofit corporation under ~~pars. (a) and~~ par. (b), and any new
4 buildings erected upon such land or upon any other land owned by such nonprofit
5 corporation, upon such terms, conditions and rentals, subject to available
6 appropriations, as in the judgment of the secretary are in the public interest. ~~With~~
7 ~~respect to any property conveyed to such nonprofit corporation under par. (a), such~~
8 ~~lease from such nonprofit corporation may be subject or subordinated to one or more~~
9 ~~mortgages of such property granted by such nonprofit corporation.~~

10 (d) The duty to submit the plans and specifications for all such new buildings
11 and all conveyances, leases and subleases made under this subsection to the
12 department of administration and the governor for written approval before they are
13 finally adopted, executed and delivered.

14 **SECTION 104.** 46.06 (title) of the statutes is amended to read:

15 **46.06 (title) Lands; condemnation, easements, leases, sales, purchases.**

16 **SECTION 105.** 46.06 (4) of the statutes is repealed.

17 **SECTION 106.** 51.06 (6) of the statutes is amended to read:

18 51.06 (6) ~~SALE OF ASSETS OR REAL PROPERTY AT~~ NORTHERN CENTER FOR THE
19 DEVELOPMENTALLY DISABLED. The department may maintain the Northern Center for
20 the Developmentally Disabled for the purpose specified in sub. (1), but may sell
21 assets ~~or, except~~ real property, of the Northern Center for the Developmentally
22 Disabled. If there is any outstanding public debt used to finance the acquisition,
23 construction, or improvement of any property that is sold under this subsection, the
24 department shall deposit a sufficient amount of the net proceeds from the sale of the
25 property in the bond security and redemption fund under s. 18.09 to repay the

1 principal and pay the interest on the debt, and any premium due upon refunding any
2 of the debt. If the property was purchased with federal financial assistance, the
3 department shall pay to the federal government any of the net proceeds required by
4 federal law. If there is no such debt outstanding and there are no moneys payable
5 to the federal government, or if the net proceeds exceed the amount required to be
6 deposited or paid under this subsection, the department shall credit the net proceeds
7 or remaining net proceeds to the appropriation account under s. 20.435 (2) (gk).

8 **SECTION 107.** 84.01 (30) (intro.) of the statutes is amended to read:

9 84.01 (30) BUILD-OPERATE-LEASE OR TRANSFER AGREEMENTS. (intro.) The
10 department may enter into build-operate-lease or transfer agreements with private
11 entities for the construction of transportation projects, including any projects to be
12 financed under s. 84.59 for transportation administrative facilities under s. 84.01
13 (28) and, for projects that are not purchased by the state upon their completion, for
14 the maintenance and operation of such projects. A project under this subsection may
15 be constructed on state-owned land. An agreement under this subsection may not
16 be entered into unless the department determines that the agreement advances the
17 public interest, and the private entity has prior experience in design, construction,
18 site development and environmental impact analysis and, for a project that is not
19 expected to be purchased by the state upon its completion, has the capability of
20 maintaining and operating the facility upon completion of the project. The following
21 provisions shall be contained in any build-operate-lease or transfer agreement
22 under this subsection, ~~except that they shall be included in an agreement for a sale~~
23 ~~of property under par. (g) 3. only if they are relevant to that sale:~~

24 **SECTION 108.** 84.01 (30) (g) 3. of the statutes is repealed.

25 **SECTION 109.** 84.09 (1) of the statutes is amended to read:

1 84.09 (1) The department may acquire by gift, devise, purchase or
2 condemnation any lands for establishing, laying out, widening, enlarging,
3 extending, constructing, reconstructing, improving and maintaining highways and
4 other transportation related facilities, or interests in lands in and about and along
5 and leading to any or all of the same; and after establishment, layout and completion
6 of such improvements, the department may convey such lands thus acquired and not
7 necessary for such improvements, with reservations concerning the future use and
8 occupation of such lands so as to protect such public works and improvements and
9 their environs and to preserve the view, appearance, light, air and usefulness of such
10 public works. Whenever the department deems it necessary to acquire any such
11 lands or interests therein for any transportation related purpose, it shall so order and
12 in such order or on a map or plat show the old and new locations and the lands and
13 interests required, and shall file a copy of the order and map with the county clerk
14 and county highway committee of each county in which such lands or interests are
15 required or, in lieu of filing a copy of the order and map, may file or record a plat in
16 accordance with s. 84.095. For the purposes of this section the department may
17 acquire private or public lands or interests in such lands. When so provided in the
18 department's order, such land shall be acquired in fee simple. Unless it elects to
19 proceed under sub. (3), the department shall endeavor to obtain easements or title
20 in fee simple by conveyance of the lands or interests required at a price, including
21 any damages, deemed reasonable by the department. The instrument of conveyance
22 shall name the state as grantee and shall be recorded in the office of the register of
23 deeds. The purchase or acquisition of lands or interests therein under this section
24 is excepted and exempt from s. 20.914 (1). The department may purchase or accept
25 donations of remnants of tracts or parcels of land existing at the time or after it has

1 acquired portions of such tracts or parcels by purchase or condemnation for
2 transportation purposes where in the judgment of the department such action would
3 assist in making whole the landowner, a part of whose lands have been taken for
4 transportation purposes and would serve to minimize the overall costs of such taking
5 by the public. ~~This subsection does not apply to lands that are sold under s. 16.848.~~

6 **SECTION 110.** 84.09 (5) (a) of the statutes is amended to read:

7 84.09 (5) (a) Subject to ~~pars. par. (b) and (c)~~ and to the approval of the governor,
8 the department may sell at public or private sale any personal property of whatever
9 nature owned by the state and under the jurisdiction of the department when the
10 department determines that the property is no longer necessary for the state's use
11 for transportation purposes ~~and, if real property, the real property is not the subject~~
12 ~~of a petition under s. 16.310 (2).~~ The department shall present to the governor a full
13 and complete report of the property to be sold, the reason for the sale, and the
14 minimum price for which the same should be sold, together with an application for
15 the governor's approval of the sale. The governor shall thereupon make such
16 investigation as he or she may deem necessary and approve or disapprove the
17 application. Upon such approval and receipt of the full purchase price, the
18 department shall ~~by appropriate deed or other instrument~~ transfer the property to
19 the purchaser. The approval of the governor is not required for public or private sale
20 of property having an appraised value at the time of sale of not more than \$15,000,
21 ~~for the transfer of surplus state real property to the department of administration~~
22 ~~under s. 16.310,~~ or for the transfer of surplus state personal property to the
23 department of tourism under sub. (5s). The funds derived from sales under this
24 subsection shall be deposited in the transportation fund, and the expense incurred
25 by the department in connection with the sale shall be paid from such fund.

1 **SECTION 111.** 84.09 (5) (b) of the statutes is amended to read:

2 84.09 (5) (b) Subject to the approval of the governor in the manner, scope, and
3 form specified in par. (a), with respect to the sale of personal property acquired by
4 the department for a project that is completed after May 25, 2006, the department
5 shall, and with respect to the sale of personal property acquired by the department
6 for a project that is completed before May 25, 2006, the department may offer for sale
7 or transfer ownership of the property that the department determines is no longer
8 necessary for the state's use for transportation purposes, ~~if the property is not the~~
9 ~~subject of a petition under s. 16.310 (2).~~ This disposition process shall take place
10 within 24 months of the completion of the transportation project for which the
11 property was acquired. ~~Except as provided in par. (c) 3., the~~ The department shall
12 offer limited and general marketable properties at appraised value, as determined
13 by a state-certified or licensed appraiser, for not less than 12 months. If the
14 department does not sell the property at or above its appraised value, the
15 department shall offer the property for sale by means of sealed bids or public auction.
16 For the purposes of this paragraph, a project is completed when final payment is
17 made under the contract for the project.

18 **SECTION 112.** 84.09 (5) (c) of the statutes is repealed.

19 **SECTION 113.** 84.09 (5m) of the statutes is repealed.

20 **SECTION 114.** 84.09 (5r) of the statutes is amended to read:

21 84.09 (5r) ~~In lieu of the sale or conveyance of property under sub. (5) or (5m),~~
22 ~~the~~ The department may, subject to the approval of the governor, donate real
23 property that is adjacent to the veterans memorial site located at The Highground
24 in Clark County and owned by the state and under the jurisdiction of the department
25 to the Wisconsin Vietnam Veterans Memorial Project, Inc., for the purpose of the

1 veterans memorial site located at The Highground in Clark County for the purpose
2 of a memorial hall specified in s. 70.11 (9). The department may donate property
3 under this subsection only when the department determines that the property is no
4 longer necessary for the state's use for transportation purposes ~~and is not the subject~~
5 ~~of a petition under s. 16.310 (2)~~ and is transferred with a restriction that the donee
6 may not subsequently transfer the real property to any person except to this state,
7 which shall not be charged for any improvements thereon. Such restriction shall be
8 recorded in the office of the register of deeds in the county in which the property is
9 located. The department shall present to the governor a full and complete report of
10 the property to be donated, and the reason for the donation, ~~and the minimum price~~
11 ~~for which the property could likely be sold under sub. (5),~~ together with an
12 application for the governor's approval of the donation. The governor shall
13 thereupon make such investigation as he or she considers necessary and approve or
14 disapprove the application. Upon such approval, the department shall by
15 appropriate deed or other instrument transfer the property to the donee. The
16 approval of the governor is not required for donation of property having an appraised
17 value at the time of donation of not more than \$15,000. Any expense incurred by the
18 department in connection with the donation shall be paid from the transportation
19 fund.

20 **SECTION 115.** 84.09 (8) (b) of the statutes is amended to read:

21 84.09 (8) (b) Biennially, beginning on January 1, 1984, the department shall
22 submit to the state building commission and the joint committee on finance an
23 inventory of surplus land containing a general description of the location and an
24 estimated value of each parcel. For each inventory submitted after May 25, 2006,
25 the inventory shall contain a report including the estimated marketable value totals,

1 by marketable type, of the land parcels, the net gain and ~~net sale~~ of surplus
2 properties in the previous 2-year period, and a summary of the 5 most recent reports
3 submitted under this paragraph.

4 **SECTION 116.** 84.09 (9) of the statutes is repealed.

5 **SECTION 117.** 84.40 (1) (a) of the statutes is amended to read:

6 84.40 (1) (a) "Existing highways and other improvements," in relation to any
7 conveyance, lease or sublease made under sub. (2) ~~(a)~~, (b) and (c), means any portion
8 of the national system of interstate and defense highways in this state, including all
9 bridges, tunnels, overpasses, underpasses, interchanges, lighting, approaches,
10 signing, weighing stations, administration, storage and other buildings, facilities or
11 appurtenances which in the judgment of the department are needed or useful for
12 interstate highway purposes, and all improvements and additions thereto which
13 were erected, constructed or installed prior to the making of such conveyance, lease
14 or sublease.

15 **SECTION 118.** 84.40 (1) (b) of the statutes is amended to read:

16 84.40 (1) (b) "New highways and other improvements," in relation to any
17 conveyance, lease or sublease made under sub. (2) ~~(a)~~, (b) and (c), means any portion
18 of the national system of interstate and defense highways in this state, including all
19 bridges, tunnels, overpasses, underpasses, interchanges, lighting, approaches,
20 signing, weighing stations, administration, storage and other buildings, facilities or
21 appurtenances which in the judgment of the department are needed or useful for
22 interstate highway purposes, and all improvements and additions thereto or to
23 existing interstate highways and other improvements which are erected,
24 constructed or installed after the making of such conveyance, lease or sublease.

25 **SECTION 119.** 84.40 (2) (a) of the statutes is repealed.

1 **SECTION 120.** 84.40 (2) (c) of the statutes is amended to read:

2 84.40 (2) (c) May lease or sublease from such nonprofit-sharing corporation,
3 and make available for public use, any such public right-of-way available for
4 highway purposes and existing highways and other improvements conveyed or
5 leased to such corporations under ~~par. (a) and par. (b)~~, and any new highways or
6 other improvements constructed upon such public right-of-way available for
7 highway purposes or upon any other land owned by such corporation, upon such
8 terms, conditions and rentals, subject to available appropriations, as the department
9 deems in the public interest. ~~With respect to any property conveyed to such~~
10 ~~corporation under par. (a), such lease from such corporation may be subject or~~
11 ~~subordinated to one or more mortgages of such property granted by such corporation.~~

12 **SECTION 121.** 84.40 (2) (f) of the statutes is amended to read:

13 84.40 (2) (f) Shall submit the plans and specifications for all such new highways
14 or other improvements and all ~~conveyances~~, leases and subleases and purchase
15 agreements made under this subsection to the governor for approval before they are
16 finally adopted, executed and delivered.

17 **SECTION 122.** 84.40 (4) of the statutes is amended to read:

18 84.40 (4) All ~~conveyances~~, leases and subleases made under this section shall
19 be made, executed and delivered in the name of the department and signed by the
20 secretary or the secretary's designees.

21 **SECTION 123.** 85.09 (4) of the statutes is amended to read:

22 85.09 (4) ACQUISITION AND CONVEYANCE. Upon its own initiative, the department
23 may determine at any time whether the rail property is abandoned, and whether it
24 is in the best interest of the state to acquire the rail property. Within 90 days after
25 being requested by any state agency, any railroad or any county or municipality in

1 which the rail property is located, the department shall, subject to sub. (5) (b), make
2 a determination of the abandonment status and, if found to be abandoned, shall
3 determine whether it is in the best interest of the public to acquire the rail property.
4 If it is determined to acquire the rail property or any part or interest therein, the
5 department shall, within 180 days of the determination of its abandoned status, or
6 the interstate commerce commission's final order permitting the abandonment, or
7 the termination of any efforts to negotiate an agreement for continual operation of
8 rail service on the line, whichever occurs last, determine the fair market value of the
9 rail property and acquire the rail property at a price deemed reasonable by the
10 department or make a relocation order under s. 32.05. In making its determination,
11 the department shall consider long-range potential for use of the rail property for
12 restoration of railroad service and for other transportation related purposes. The
13 department shall solicit the opinions of appropriate state agencies, affected counties
14 and municipalities and other interested persons. The department shall give due
15 consideration to an expressed desire by a state agency or an affected county or
16 municipality to acquire, in whole or in part, the rail property under consideration.
17 ~~Subject~~ Except as provided in this subsection and subject to sub. (6), all or part of any
18 interest in abandoned rail property acquired by the department under this section
19 or under s. 66.941 (7), 1975 stats., may be subsequently conveyed to another state
20 agency or a county or municipality for transportational purposes, recreational
21 purposes, scenic purposes or for the purpose of constructing a correctional
22 institution, or to a railroad for continued railroad transportation operations when
23 the railroad has operated on the rail property for 5 years and the department may
24 make such conveyances for such purposes. Any determination of the department
25 under this section that rail property is not abandoned shall not preclude the

1 undertaking of a subsequent investigation and determination concerning the same
2 rail property or any portion thereof. If at any time subsequent to the acquisition of
3 rail property under this section the department determines that the rail property is
4 not suitable for transportation purposes, recreational purposes, scenic purposes or
5 for the purpose of constructing a correctional institution, or that the rail property or
6 any interest therein may be conveyed to any other person on terms which are not
7 inconsistent with the potential use of the rail property for transportation purposes,
8 recreational purposes, scenic purposes or for the purpose of constructing a
9 correctional institution or which yield a benefit, including financial benefits, to the
10 state which outweighs the benefit derived from the rail property if used for
11 transportation purposes, recreational purposes, scenic purposes or for the purpose
12 of constructing a correctional institution, the department may convey the rail
13 property or such interest therein, except as provided in this subsection and subject
14 to sub. (6). The department shall give notice of its intention to make the conveyance,
15 and state and local units of government shall have the first 6 months in which to
16 exercise their opportunity to acquire the rail property or interest therein. The
17 railroad from which the rail property was acquired shall have the next 6 months in
18 which to exercise its opportunity to reacquire the rail property or interest therein.
19 The department shall not sell real property under this subsection.

20 **SECTION 124.** 85.09 (4i) of the statutes is amended to read:

21 **85.09 (4i) DISPOSAL OF RAIL PROPERTY.** The department shall sell at public or
22 private sale personal rail property acquired under sub. (4) when the department
23 determines that the rail property is not necessary for a public purpose and, if real
24 property, ~~the real property is not the subject of a petition under s. 16.310 (2).~~ Upon
25 receipt of the full purchase price, the department shall, by appropriate deed or other

1 instrument, transfer the rail property to the purchaser. The funds derived from sales
2 under this subsection shall be deposited in the transportation fund, and the expense
3 incurred by the department in connection with the sale shall be paid from the
4 appropriation under s. 20.395 (2) (bq). ~~This subsection does not apply to real~~
5 ~~property that is sold under s. 16.848.~~

6 **SECTION 125.** 85.15 (2) of the statutes is amended to read:

7 85.15 (2) The department shall credit to the appropriation account under s.
8 20.395 (4) (ew) the amount, if any, by which moneys received in any year from the
9 sale ~~or~~ lease of property acquired by the department exceeds \$2,750,000. The
10 department shall use 50% of any proceeds credited to this appropriation account
11 from the sale ~~or~~ lease of any property to supplement the costs of management and
12 operations of the district office of the department that initiated the sale or lease of
13 that property.

14 **SECTION 126.** 108.161 (7) of the statutes is repealed.

15 **SECTION 127.** 108.161 (9) of the statutes is amended to read:

16 108.161 (9) Any land and building or office quarters acquired under this section
17 shall continue to be used for employment security purposes. ~~Realty or quarters may~~
18 ~~not be sold or transferred to other use without the governor's approval. The proceeds~~
19 ~~from the sale, or the value of realty or quarters upon transfer, shall be credited to the~~
20 ~~account established in sub. (1) or credited to the fund established in s. 108.20, or both~~
21 ~~in accordance with federal requirements. Equivalent substitute rent-free quarters~~
22 ~~may be provided, as federally approved. Amounts credited under this subsection~~
23 ~~shall be used solely to finance employment security quarters according to federal~~
24 ~~requirements.~~

25 **SECTION 128.** 114.33 (6) (a) of the statutes is amended to read:

1 114.33 (6) (a) For the purposes of carrying out this section and ss. 114.35 and
2 114.37, the secretary may acquire by gift, devise, purchase or condemnation any
3 lands for establishing, protecting, laying out, enlarging, extending, constructing,
4 reconstructing, improving and maintaining airports, or interests in lands in and
5 about airports. After completion of the improvements, the secretary may convey as
6 provided in this subsection lands that were acquired under this subsection, but were
7 not necessary for the airport improvements, but shall not sell the lands. The
8 conveyances may be made with reservations concerning the future use and
9 occupation of those lands so as to protect the airports and improvements and their
10 environs and to preserve the view, appearance, light, air and usefulness of the
11 airports.

12 **SECTION 129.** 114.33 (10) of the statutes is amended to read:

13 114.33 (10) Subject to the approval of the governor under this subsection, the
14 secretary may sell at public or private sale personal property of whatever nature
15 owned by the state and under the jurisdiction of the secretary when the secretary
16 determines that the property is no longer necessary for the state's use for airport
17 purposes and, if real property, ~~the real property is not the subject of a petition under~~
18 ~~ss. 16.310.~~ The secretary shall present to the governor a full and complete report of
19 the property to be sold, the reason for the sale, and the minimum price for which the
20 property should be sold, together with an application for the governor's approval of
21 the sale. The governor shall investigate the proposed sale as he or she deems
22 necessary and approve or disapprove the application. Upon approval and receipt of
23 the full purchase price, the secretary shall ~~by appropriate deed or other instrument~~
24 transfer the property to the purchaser. The funds derived from the sale shall be
25 deposited in the appropriate airport fund, and the expense incurred by the secretary

1 in connection with the sale shall be paid from that fund. ~~This subsection does not~~
2 ~~apply to real property that is sold under s. 16.848.~~

3 **SECTION 130.** 190.15 of the statutes is repealed.

4 **SECTION 131.** 196.491 (2) (e) of the statutes is renumbered 196.491 (2) (e) 2. and
5 amended to read:

6 196.491 (2) (e) 2. Any state agency, ~~as defined in s. 16.310 (1),~~ county,
7 municipality, town, or person may submit written comments to the commission on
8 a strategic energy assessment within 90 days after copies of the draft are issued
9 under par. (b).

10 **SECTION 132.** 196.491 (2) (e) 1. of the statutes is created to read:

11 196.491 (2) (e) 1. In this paragraph, “state agency” means an office,
12 commission, department, or independent agency in the executive branch of state
13 government.

14 **SECTION 133.** 256.35 (3m) (h) of the statutes is renumbered 256.35 (3m) (h) 2.
15 and amended to read:

16 256.35 (3m) (h) 2. No local government or state agency, ~~as defined in s. 16.310~~
17 ~~(1),~~ except the commission, may require a wireless provider to collect or pay a
18 surcharge or fee related to wireless emergency telephone service.

19 **SECTION 134.** 256.35 (3m) (h) 1. of the statutes is created to read:

20 256.35 (3m) (h) 1. In this paragraph, “state agency” means an office,
21 commission, department, or independent agency in the executive branch of state
22 government.

23 **SECTION 135.** 301.235 (1) (a) and (b) of the statutes are amended to read:

24 301.235 (1) (a) “Existing building”, in relation to any conveyance, lease or
25 sublease made under sub. (2) (a) 1., 2. and 3., means all detention, treatment,

1 administrative, recreational, infirmary, hospital, vocational and academic buildings;
2 all dormitories and cottages; all storage facilities, heating plants, sewage disposal
3 plants, and such other buildings, structures, facilities and permanent improvements
4 as in the judgment of the secretary are needed or useful for the purposes of the
5 department, and all equipment therefor and all improvements and additions thereto
6 which were erected, constructed or installed prior to making the conveyance, lease
7 or sublease.

8 (b) “New building”, in relation to any ~~conveyance~~, lease or sublease made under
9 sub. (2) (a) ~~1~~, 2. and 3., means all detention, treatment, administrative, recreational,
10 infirmary, hospital, vocational and academic buildings; all dormitories and cottages;
11 all storage facilities, heating plants, sewage disposal plants, and such other
12 buildings, structures, facilities and permanent improvements as in the judgment of
13 the secretary are needed or useful for the purposes of the department, and all
14 equipment therefor and all improvements and additions thereto which are erected,
15 constructed or installed after making the conveyance, lease or sublease.

16 **SECTION 136.** 301.235 (2) (a) 1. of the statutes is repealed.

17 **SECTION 137.** 301.235 (2) (a) 3. and 4. of the statutes are amended to read:

18 301.235 (2) (a) 3. The power to lease or sublease from the nonprofit corporation,
19 and to make available for public use, any such land and existing buildings conveyed
20 ~~or~~ leased to the nonprofit corporation under ~~subds. 1. and~~ subd. 2., and any new
21 buildings erected upon the land or upon any other land owned by such nonprofit
22 corporation, upon such terms, conditions and rentals, subject to available
23 appropriations, as the secretary determines are in the public interest. ~~With respect~~
24 ~~to any property conveyed to the nonprofit corporation under subd. 1., the lease from~~

1 ~~the nonprofit corporation may be subject or subordinated to one or more mortgages~~
2 ~~of the property granted by the nonprofit corporation.~~

3 4. The duty to submit the plans and specifications for all such new buildings
4 and all conveyances, leases and subleases made under this section to the department
5 of administration and the governor for written approval before they are finally
6 adopted, executed and delivered.

7 **SECTION 138.** 301.235 (2) (d) of the statutes is amended to read:

8 301.235 (2) (d) All conveyances, leases and subleases made under this section
9 shall be made, executed and delivered in the name of the department and shall be
10 signed by the secretary and sealed with the seal of the department.

11 **SECTION 139.** 301.24 (4) of the statutes is repealed.

12 **SECTION 140.** 301.24 (4m) of the statutes is amended to read:

13 301.24 (4m) CORRECTIONAL INSTITUTION PROPERTY DISPOSITION. In addition to
14 any other requirements under this section, ~~except where a sale occurs under s.~~
15 ~~16.848,~~ the department may sell or otherwise transfer or dispose of the property
16 acquired for the correctional institution under s. 46.05 (1o), 1985 stats., only if the
17 sale, transfer or disposition is approved by the joint committee on finance. The
18 department shall submit a plan for any such proposed sale, transfer or disposition
19 to the committee.

20 **SECTION 141.** 301.25 of the statutes is amended to read:

21 **301.25 Sewer system at Taycheedah Correctional Institution.** The
22 department, with the approval of the governor, may enter into an agreement
23 containing terms, conditions and covenants approved by the building commission,
24 to participate in the construction of a sanitary sewer system in the area adjacent to
25 the Taycheedah Correctional Institution in the town of Taycheedah, Fond du Lac

1 County; to connect the sewer system of the Taycheedah Correctional Institution
2 thereto; to pay sewage disposal charges; and to grant easements ~~or convey land~~ to
3 meet construction requirements.

4 **SECTION 142.** 302.04 of the statutes is amended to read:

5 **302.04 Duties of warden and superintendents.** Except as provided in s.
6 16.848 (1), the warden or the superintendent of each state prison shall have charge
7 and custody of the prison and all lands, belongings, furniture, implements, stock and
8 provisions and every other species of property within the same or pertaining thereto.
9 The warden or superintendent shall enforce the rules of the department for the
10 administration of the prison and for the government of its officers and the discipline
11 of its inmates.

12 **SECTION 143.** 321.03 (2) (b) of the statutes is amended to read:

13 321.03 (2) (b) Upon appraisal by the state chief engineer submitted to the
14 governor in writing and with written approval of the governor sell and convey, any
15 state-owned personal property acquired or erected for state military purposes, if the
16 property is no longer useful to the national guard.

17 (END)

**2013-2014 DRAFTING INSERT
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LRB-1130/P3ins
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INS 3A:

Finally, the bill modifies the authority of the Building Commission to sell or lease state-owned buildings, structures, and land to parallel the authority of DOA under the bill so that the authority is not generally limited by sales authority given to state agencies and to provide for distribution of sales proceeds in the same manner as proceeds of DOA's sales are distributed. The bill deletes the current limitation that certain sales of surplus land subject to approval of JCF and directs DOA to compile biennially and transmit to the Building Commission ^{an} inventory of state-owned surplus land identified for potential sale.

Currently, DOA has charge of, operates, and maintains the state capitol power plant and any power plants serving the state office buildings. Under the bill, DOA has charge of, operates, and maintains any heating, cooling, and power plants not operated by another agency or by a purchaser, lessee, or contractor.

INS 3-1:

X
SECTION 1. 13.48 (14) (title) of the statutes is amended to read:

13.48 (14) (title) SALE OR LEASE OF LANDS PROPERTY.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 25r, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32.

SECTION 2. 13.48 (14) (a) of the statutes is amended to read:

13.48 (14) (a) In this subsection, "agency" has the meaning given ^{for} ~~for~~ "state agency" in s. 20.001 (1) ⁱⁿ s. 16.52 (7), except that the term does not include the Board of Regents of the University of Wisconsin System.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 25r, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32.

SECTION 3. 13.48 (14) (am) of the statutes is amended to read:

13.48 (14) (am) Except as provided in this paragraph and ~~subject to par. (d),~~
the building commission shall have the authority to sell or lease all or any part of a state-owned building or structure or state-owned land, including farmland, where such authority is not otherwise provided to an agency by law unless the sale is

prohibited under the state or federal constitution or federal law or the sale is conducted as a part of a procedure to enforce an obligation to this state, and may transfer land under its jurisdiction among agencies. The building commission does not have the authority to sell or lease any state-owned property under this paragraph after the department of administration notifies the commission in writing that an offer of sale or sale with respect to a property is pending under s. 16.848 (1). If the sale is not completed and no further action is pending with respect to the property, the authority of the building commission under this paragraph is restored.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32.

SECTION 4. 13.48 (14) (b) of the statutes is amended to read:

13.48 (14) (b) ~~Subject to par. (d), the~~ The building commission shall sell or lease on the basis of either public bids, with the building commission reserving the right to reject any or all bids in the best interest of the state, or negotiated prices. Buildings, structures and land mentioned in this subsection shall be subject to general property taxes levied by those taxing bodies within whose area they lie if used for commercial purposes, and shall be subject to special assessments for public improvements in the same manner and to the same extent as privately owned buildings, structures and land, subject to approval of the building commission when required under s. 66.0703 (6).

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32.

INS 3-8:

4 No

If the property was acquired, constructed, or improved with federal financial assistance, the commission shall pay to the federal government any of the proceeds

required by federal law. If the property was acquired by gift or grant or with gift or grant funds, the commission shall adhere to any restriction governing use of the proceeds. If

INS 4-1:

to retire any revenue obligation debt in the fund that was used to acquire, construct, or improve property that was sold, shall then use the proceeds or the remaining net proceeds

INS 4-7
no 41

* For the purpose of paying principal and interest costs on other outstanding public debt under ^{this paragraph} ~~par. (a)~~, the commission may cause outstanding bonds to be called for redemption on or following their optional redemption date, establish one or more escrow accounts to redeem bonds at their optional redemption date, or purchase bonds in the open market. To the extent practical, the commission shall consider all of the following in determining which public debt to redeem:

SECTION 5. 13.48[✓] (14) (c) 1. to 5. of the statutes are [✓]created to read:

13.48 (14) (c) 1. According preference to the redemption of general obligation debt within the same statutory bond purpose that was used to acquire, build, or improve the property being sold.

2. Maintaining compliance with federal tax law applicable to the general obligation debt that was issued to acquire, build, or improve the property being sold.

3. The extent to which general obligation debt that was issued to acquire, build, or improve the property being sold is subject to current optional redemption, would

require establishment of an escrow, or could be assigned for accounting purposes to another statutory bond purpose.

4. The fiscal benefit of redeeming outstanding debt with higher interest costs.

5. The costs of federal tax law compliance in the selection of general obligation debt to be redeemed.

History: 2005 a. 25; 2007 a. 20 ss. 113, 114, 912^X(6) (a); 2007 a. 100; 2009 a. 180; 2011 a. 32.

SECTION 6. 13.48 (14) (d) 1. of the statutes is repealed.

SECTION 7. 13.48 (14) (d) 2. of the statutes is renumbered 13.48 (14) (d) and amended to read:

13.48 (14) (d) Biennially, beginning on January 1, 1984, ~~each agency having surplus land~~ 2014, the department of administration shall submit to the building commission and the joint committee on finance an inventory containing the location, description and fair market value of each parcel of surplus land identified for potential sale.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 491; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32.

SECTION 8. 13.48 (14) (d) 3. of the statutes is repealed.

SECTION 9. 13.48 (14) (d) 4. of the statutes is repealed.

INS 5-8:

SECTION 10. 16.84 (1) of the statutes is amended to read:

16.84 (1) Have charge of, operate, maintain and keep in repair the state capitol building, the executive residence, ~~the light, heat and power plant, any heating, cooling, and power plants serving state properties that are not operated by an agency,~~ as defined in s. 16.52 (7), or by a purchaser, lessee, or contractor under s. 13.48 (14) or 16.848 (1), the state office buildings and their power plants, the grounds connected ○

therewith, and such other state properties as are designated by law. All costs of such operation and maintenance shall be paid from the appropriations under s. 20.505 (5) (ka) and (kb), except for debt service costs paid under s. 20.866 (1) (u). The department shall transfer moneys from the appropriation under s. 20.505 (5) (ka) to the appropriation account under s. 20.505 (5) (kc) sufficient to make principal and interest payments on state facilities and payments to the United States under s. 13.488 (1) (m).

History: 1971 c. 183; 1975 c. 41 s. 52; 1977 c. 418; 1979 c. 34, 221; 1981 c. 314; 1983 a. 36 s. 96 (4); 1983 a. 435 s. 7; 1983 a. 524; 1985 a. 135 s. 83 (5); 1987 a. 27; 1989 a. 31; 1991 a. 39, 269; 1995 a. 27, 174; 2001 a. 16; 2003 a. 33, 321.

INS 8-16:

to retire any revenue obligation debt in the fund that was used to acquire, construct, or improve the property that was sold, shall then use the proceeds or the remaining net proceeds

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1130/P3dn

JTK...:....

eev

date

Sasha Bong:

In s. 16.84[✓] (1), stats., this draft provides that DOA has charge of, operates, and maintains any heating, cooling, and power plants serving state properties that are not operated by another agency or by a purchaser, lessee, or contractor. The bill does not transfer management to DOA of any of the plants that are currently managed by other agencies. Under the draft, if the plants are sold, leased, or operated under contract, the purchaser, lessee, or contractor will have charge of the plants.

Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1130/P3dn
JTK:eev:jm

February 1, 2013

Sasha Bong:

In s. 16.84 (1), stats., this draft provides that DOA has charge of, operates, and maintains any heating, cooling, and power plants serving state properties that are not operated by another agency or by a purchaser, lessee, or contractor. The bill does not transfer management to DOA of any of the plants that are currently managed by other agencies. Under the draft, if the plants are sold, leased, or operated under contract, the purchaser, lessee, or contractor will have charge of the plants.

Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

Kuesel, Jeffery

From: Bong, Sasha E - DOA <SashaE.Bong@wisconsin.gov>
Sent: Thursday, January 31, 2013 5:07 PM
To: Kuesel, Jeffery
Cc: Kraus, Jennifer - DOA
Subject: BB0350 (LRB-1130)
Attachments: State-owned real property net proceeds (BB0350).docx

Jeff,

After discussing the draft this afternoon, here are changes to LRB-1130 (Sale or lease of state-owned real property):

- ✓ • Retain exemptions under current law in s. 16.848(2) except s. 16.848(2)(a), (b), and (gw).
- ✓ • To the extent that an agency can sell or lease property on their own, allow them to continue to do so unless DOA identifies a property to be sold. If DOA identifies a property to be sold, the individual agency may not sell the property.
- ✓ • Please see the attached document for provisions relating to the remaining net proceeds of a sale, which would apply to DOA sales and Building Commission sales. There may be some minor changes to s. 16.848(4)(b)1. to include SEG-backed general obligation bonds.
- ✓ • Modify s. 13.48(14)(d) to require all agencies to submit an inventory of all real properties and the estimated market values to DOA by January 1, 2014. ✓ Agencies should highlight underutilized assets.
 - ✓ ○ Require DOA to have appraisals done on assets for potential sale and report this information to the
 - Building Commission six months after the agency due date.
- ✓ • The process for Building Commission sales under s. 13.48(14) should mirror the process under s. 16.848 as closely as possible.
 - Both sections should use the definition of an agency as provided under s. 16.52(7).
 - ✓ ○ Section 13.48(14) should be broadened to include the sale of state-owned real property, not just land.
- ✓ • Under s. 16.848, allow DOA to sell or lease state-owned real property, but only contract for the operation of the function of the property if the property is associated with a heating plant.
- ✓ • Related to number 6 of your note, modify s. 16.84(1) to allow the department to have charge of, operate, maintain and keep in repair any heating, cooling, and power plants owned and operated by the state serving those properties and the grounds connected with those properties.

I understand this is adding to a string of emails that has been quite confusing to this point, so Jenny and I would be more than willing to discuss this via conference call or a meeting if you'd like.

Thanks,

Sasha

16.848 Sale of certain state property.

(1) Except as provided in sub. (2), the department may offer for sale any state-owned real property, if the department determines that the sale is in the best interest of the state. Any sale may be either on the basis of public bids, with the department reserving the right to reject any bid in the interest of the state, or negotiated prices. If the department receives an offer to purchase property offered under this subsection, the department may submit a report to the building commission recommending acceptance of the offer. The report shall contain a description of the property and the reasons for the recommendation. The department may recommend the sale of a parcel of property with or without the approval of the agency, as defined in s. 16.52 (7), having jurisdiction of the property. If the building commission approves the proposed sale, the department may sell the property.

(2)

(a) Subsection (1) does not authorize the closure or sale of any facility or institution the operation of which is provided for by law.

(b) Subsection (1) does not apply to property under the jurisdiction of the board of regents of the University of Wisconsin System.

(c) Subsection (1) does not apply to property sold by the department under s. 16.98 (3).

(d) Subsection (1) does not apply to lands under the jurisdiction of the board of commissioners of public lands.

(e) Subsection (1) does not apply to property under the jurisdiction of the department of natural resources, except central or district office facilities.

(f) Subsection (1) does not apply to lands acquired with revenues collected under s. 70.58.

(g) Subsection (1) does not apply to property that is subject to sale by the department of veterans affairs under s. 45.32 (7).

(gc) Subsection (1) does not apply to property that is subject to sale by the department of military affairs under s. 321.03 (2) (b).

(gg) Subsection (1) does not apply to property that is conveyed by the department of corrections under s. 301.25.

(gn) Subsection (1) does not apply to property that is subject to sale by the state under 20.909 (2).

(gr) Subsection (1) does not apply to land that is sold or traded by the Kickapoo reserve management board under s. 41.41 (7).

(gt) Subsection (1) does not apply to property that is donated by the department of transportation under s. 84.09 (5r).

(gw) Subsection (1) does not apply to the sale of property by the department of health services under s. 51.06 (6).

(h) The department shall not sell any property under this section that is leased by the state until the lease expires or the lease is modified, renewed, or extended, whichever first occurs, without consent of the lessee.

(4)

(a) Except as provided in s. 13.48 (14) (e), if there is any outstanding public debt used to finance the acquisition, construction, or improvement of any property that is sold under sub. (1), the department shall deposit a sufficient amount of the net proceeds from the sale of the property in the bond security and redemption fund under s. 18.09 to repay the principal and pay the interest on the debt, and any premium due upon refunding any of the debt. If the property was acquired, constructed, or improved with federal financial assistance, the department shall pay to the federal government any of the net proceeds required by federal law. If the property was acquired by gift or grant or acquired with gift or grant funds, the department shall adhere to any restriction governing use of the proceeds. Except as required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there is no such debt outstanding, there are no moneys payable to the federal government, and there

is no restriction governing use of the proceeds, and if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose under this paragraph, the department shall use the net proceeds or remaining net proceeds to pay principal and interest costs on other outstanding public debt.

(b) For the purpose of paying principal and interest costs on other outstanding public debt under par. (a), the secretary may cause outstanding bonds to be called for redemption on or following their optional redemption date, establish one or more escrow accounts to redeem bonds at their optional redemption date, or purchase bonds in the open market. To the extent practical, the secretary shall consider all of the following in determining which public debt to redeem:

1. ~~Redeeming~~ According preference to the redemption of general obligation debt having debt service payment sources similar to the general obligations within the same statutory bond purpose that was used to acquire, build, or improve the property being sold.

2. Maintaining compliance with federal tax law applicable to the general obligation debt that was issued to acquire, build, or improve the property being sold.

3. The extent to which general obligation debt that was issued to acquire, build, or improve the property being sold is subject to current optional redemption, would require establishment of an escrow, or could be assigned for accounting purposes to another statutory bond purpose.

4. The fiscal benefit of redeeming outstanding debt with higher interest costs.

5. The costs of federal tax law compliance in the selection of general obligation debt to be redeemed.

(c) [Except as provided in 13.48 (14) (e),] if there is any outstanding revenue obligations, issued pursuant to Subchapter 2 of Chapter 18, used to finance the acquisition, construction, or improvement of any property that is sold under sub. (1), the department shall deposit a sufficient amount of the net proceeds from the sale of the property in the respective redemption fund provided under s. 18.561 (5) or 18.562 (3) to repay the principal and pay the interest on the revenue obligations, and any premium due upon refunding any of the revenue obligations. For the purpose of paying principal and interest costs on other outstanding revenue obligations, the secretary may cause outstanding revenue obligations to be called for redemption on or following their optional redemption date, establish one or more escrow accounts to redeem obligations at their optional redemption date, or purchase bonds in the open market.